







# YOUR RELIABLE PARTNER FOR SHIPMENTS TO IRAQ

Dec 24th, 2017 NEWSLETTER

# BREAKING NEWS

New Customs Rules and Regulations for 2018.

Dear Clients, Partners and Friends,

We need to inform you that similar to the beginning of 2017, Iraqi government intend to implemented new customs rules and regulations. According to the todays status, and this is subject to change, the following rules will apply from 1<sup>st</sup> January 2018 and will be applicable for Iraqi entrance points (currently except the KRG borders) no matter is the deliver will refer to old or new contracts. Below the main topics of the new rules.

In general Customs Dues Will be divided into 4 main rate values. There will be no preference to certain origins like it used to be, for example: the old customs tariff was divided as per country of origin, for German origin cars the duties were 25% while for cars from China the rates was 15%. Under the new Tariff the duties will be 15% for cars, no matter of the origin of the vehicle.

- 1- All Del & TEL issued before 2017 or within the year 2017 will be under review and we expect that duties need to be paid, unless there is a new DEL & TEL available for the new year (2018).
- 2- Any Exemption from Customs Dues will be stopped
- 3- Both Customs Dues & tax dues need to be paid.
- 4- Customs dues rates will most likely be in 4 categories (5%, 10%,15% and 30%), but these rates are still under Discussion. Rates may increase from old tariff, for example tractors will be 15% instead of 5%.
- 5- Production Protection Law (PPL) will apply on all items.
- 6- Federal Budget 2018 did not mention the implementation of any customs or tax dues exemption.
- 7- Government Rule No.#6 to exempt International Oil Companies (IOC's) and sub-contractors, will be stopped and Customs dues shall apply on all contracts.
- 8- Government rule #326 (related to postponed collection of customs dues) is also under review.



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ew Government Rule # 393 Issued on 14-11-2017, this rule will apply from 1-1-2018.

- 9- Any customs exemption must be Issued from Ministers Cabinets and addressed to General Customs office starting from 1-1-2018.
- 10- From 1-1-2018, Rule of MCD per Container will apply. According to this rule, the customs declaration must be issued PER container and documents are needed PER Container and not anymore PER Bill of Lading. This rule was partly already in force mid 2017 and has later on been suspended by the Iraqi Government.

Thank you for your attention. Yours sincerely, M.G. International Transports GmbH

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